



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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June 17, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC HEALTH: APPROVAL OF AMENDMENT NUMBER 2 TO
TIMECARD PROCESSING SERVICES AGREEMENT WITH
THE BENTON COMPANY
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to execute an amendment to extend the term and increase rates for the sole source Timecard Processing Services Agreement with The Benton Company.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and authorize the Director of the Department of Public Health (DPH), or his designee, to execute Amendment Number 2, substantially similar to Exhibit I, to the Timecard Processing Services Agreement (Agreement Number H300275) with The Benton Company (Benton; also known as California Tab Card Company) to: 1) extend the term of the agreement for two years, effective July 1, 2008 through June 30, 2010; and 2) increase the fee for each timecard processed, from 13 cents to 17 cents, at an estimated maximum cost of \$233,320.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will allow DPH and the Department of Health Services (DHS), an additional service site, to continue to use the provider's paper punch cards and timecard processing services while the Departments convert to an updated electronic timecard system.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Implementation of Strategic Plan Goals

This action supports Goal 3, Organizational Effectiveness of the County Strategic Plan.

FISCAL IMPACT/FINANCING

The total maximum cost for services is \$233,320 or \$116,660 per fiscal year (FY). The breakdown is as follows:

Department	FY 2008-09	FY 2009-10
DPH	\$16,320	\$16,320
DHS	\$83,640	\$83,640
DHS in-kind*	\$16,700	\$16,700
TOTAL	\$116,660	\$116,660

*Total maximum obligation of DHS for maintenance and repair costs only.

Funding for these services is included in DHS' budget. Due to the separation of the two Departments, DHS will transfer \$15,187 in net County costs to DPH during the FY 2008-09 Supplemental Budget Resolution process. DPH will fund the remaining \$1,133 in additional costs with existing departmental resources.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The process to convert to automation of DHS' timecard system began in 2005. This process has continued through the departmental separation of DPH and DHS. The proposed automated system has undergone multiple trial runs by both Departments. Testing will continue until both Departments are assured that the automated system is working properly.

Under Amendment Number 2, Benton has agreed to provide its own supplies (card stock) and card printing, previously provided by the County, and to hold fuel costs constant for the next two years as in-kind services. DHS will pay for any maintenance costs that may arise during the term of the Amendment as in-kind services.

Exhibit I has been reviewed and approved as to form by County Counsel.

CONTRACTING PROCESS

On June 10, 2003, your Board approved a five-year term sole source timecard processing services agreement with Benton, as it was the only provider that had the equipment, knowledge, and skills capable of processing computer punch card information.

Honorable Board of Supervisors
June 17, 2008
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On February 21, 2006, your Board approved Amendment Number 1 for fee increases at a total net County cost from \$397,500 to \$437,100. Amendment Number 1 allowed an increase to the rate paid per timecard processed, from 10 cents to 12 cents for the period of February 21, 2006 through February 28, 2007, and from 12 cents to 13 cents for the period of March 1, 2007 through June 30, 2008.

Existing County policy and procedures require the timely submission of contracts for Board approval. This request for approval of the amendment was not scheduled for placement on the Board's agenda three weeks prior to its effective date as required because of extensive contract negotiations related to the proposed timecard processing fee increase scheduled for July 2008. In addition, time was required for DHS to recalculate its financial obligations under the Agreement. As this is a shared agreement between DPH and DHS, it is essential that both parties concur with the terms of the Agreement and Amendment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The current Agreement will expire on June 30, 2008. Approval of Amendment Number 2 will allow the continuation of services until both Departments have completed their conversion to electronic timecards. The Departments will continue the trial runs of the proposed automated system.

CONCLUSION

When approved DPH requires four signed copies of your Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SAS
MLM:TOF:yb

Attachment

c: County Counsel
Director and Health Officer, Department of Public Health

Contract No. H300275-2

TIMECARD PROCESSING SERVICES AGREEMENT

AMENDMENT NUMBER 2

THIS AMENDMENT is made and entered into this _____ day
of _____, 2008,

by and between

COUNTY OF LOS ANGELES (hereafter
"County"),

and

THE BENTON COMPANY (Also Known As
[AKA] California Tab Card Company;
hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "TIMECARD
PROCESSING SERVICES AGREEMENT", dated June 10, 2003, and further identified
as County Agreement Number H300275, and any Amendments thereto (all hereafter
referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend Agreement to extend
the term and provide other changes set forth herein; and

WHEREAS, said Agreement provides that changes may be made in the form of
a written Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall be effective on July 1, 2008.
2. Paragraph 1, TERM, Subparagraph 1, shall be amended to read as follows:

"1. TERM: The term of this Agreement shall commence on June 10,
2003, and shall continue in full force and effect through June 30, 2010.

3. Paragraph 3, STATEMENT OF WORK, shall add another Subparagraph, thereby displacing subsequent Subparagraphs to the next consecutive number. Subparagraph 2 shall be revised, and Subparagraph 1 will be added to the Agreement as follows:

“(1) Contractor shall obtain own computer punchcard card stock, and cut and print cards with appropriate timecard information (i.e. Department, Cost Center, Nationality Classification, Employee Name and Number, etc.) for processing, hereinbelow.

(2) Contractor shall have an available web site location and computer system capable of receiving and processing eighty (80) column computer punchcard information, or payroll data information as provided by County under the County Wide Time and Attendance Personnel Payroll System (“CWTAPPS”), for no less than twenty-five thousand (25,000) computer punch cards, or an amount approved by the Director, as received from County via the internet, two (2) times a month, on a seven (7) day, twenty-four (24) hours a day basis.”

4. Paragraph 4, MAXIMUM OBLIGATION OF COUNTY, Subparagraphs A and B shall be added to the Agreement as follows:

“A. During the period of July 1, 2008 through June 30, 2009, the maximum obligation of County for all services provided hereunder shall not exceed One Hundred Ninety-Nine Thousand, Nine Hundred Twenty Dollars (\$199,920). This

sum represents the total maximum obligation of County for services as provided and described in Exhibit A, and incorporated herein by reference.

B. During the period of July 1, 2009 through June 30, 2010, the maximum obligation of County for all services provided hereunder shall not exceed One Hundred Ninety-Nine Thousand, Nine Hundred Twenty Dollars (\$199,920). This sum represents the total maximum obligation of County for services as provided and described in Exhibit A, and incorporated herein by reference.”

5. Exhibit A (DESCRIPTION OF SERVICES), Paragraph 4, PAYMENT,

Subparagraph 1, shall be revised as follows:

“4. PAYMENT: The fee received by Contractor for timecard processing services, effective July 1, 2003 through February 20, 2006, shall be a billing rate of ten cents (\$.10) per timecard processed. The fee received by Contractor for timecard processing services, effective February 21, 2006 through February 28, 2007, shall be a billing rate of twelve cents (\$.12) per timecard processed, and effective March 1, 2007 through June 30, 2008, shall be a billing rate of thirteen cents (\$.13) per timecard processed. The fee received by Contractor for timecard processing services, effective July 1, 2008 through June 30, 2010 shall be a billing rate of seventeen cents (\$.17) per timecard processed. Contractor shall bill County for services performed in accordance with such said rate, and according to the billing procedures as described under Paragraph 5, BILLING AND PAYMENT, of the body of this Agreement.”

6. Wherever in the Agreement it states County's "Department of Health Services" shall now read County's "Department of Health Services and County's Department of Public Health".

7. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of Public Health, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Jonathan E. Fielding, M.D., MPH
Director and Health Officer

THE BENTON COMPANY (Also Known As
[AKA] California Tab Card Company)
Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, JR.
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Public Health

By _____
Gary T. Izumi, Chief
Contracts and Grants